



United States
Department of
Agriculture

Extra Long Staple Cotton

Summary of 1998 Commodity Loan Program

Legislative Authority

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act).

Planting Flexibility

There are no Government restrictions on the planting of extra long staple (ELS) cotton. ELS is not a contract commodity under the 1996 Act and is not eligible for direct payments.

Marketing Assistance Loans

Producers may receive marketing assistance loans on all production of ELS cotton. For ELS cotton to be eligible for a marketing assistance loan, producers must comply with applicable conservation and wetland requirements, report their ELS cotton planted acreage, comply with crop insurance requirements, and have beneficial interest in the cotton at the time the loan is requested and throughout the loan period. Further, cotton must be ginned, carry an approved USDA Agricultural Marketing Service class, and be placed in a Commodity Credit Corporation (CCC)-approved warehouse. Cotton placed under a marketing assistance loan may be forfeited to CCC when the loan expires in full satisfaction of the loan.

Beneficial Interest

A producer is considered to have beneficial interest in the cotton if all of the following remain with the producer: (1) control of the commodity; (2) risk of loss; and (3) title to the commodity.

Loan Rate

ELS loan rates under the 1996 Act are determined according to a statutory formula. The loan rate cannot be less than 85 percent of the average price received by producers during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the years with the highest and lowest prices, nor more than 79.65 cents per pound. The loan rate for the 1998 crop is 79.65 cents per pound.

Term of Loan

Loans are available for a term of 10 months beginning the first day of the month in which the loan is made. Loan extensions beyond 10 months are not authorized. The last date to request a loan on 1998-crop cotton was May 31, 1999.

Storage and Interest Policies

The producer must pay interest charges at the time the loan is repaid; the producer is also responsible for all charges accrued at the

warehouse. In the event of forfeiture of the loan to CCC, no interest is charged and CCC assumes responsibility for the warehouse storage charges accrued during the period the cotton was under loan. At forfeiture, the producer pays any unpaid receiving charges and any unpaid storage charges outside the loan period.

CCC Domestic Sales Policy

CCC may sell any cotton in its inventory at any price the Secretary determines will maximize returns to CCC.

Seed Cotton Loans

Recourse loans are available on ELS seed cotton.

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EXTRA LONG STAPLE COTTON: SUMMARY OF BASIC DATA

Crop Year	Acreage Allotment	Planted Acreage	Harvested Acreage	Yield per Harvested Acre	Production	Imports	Domestic Mill Use	Exports ^{2/}
	<----- 1,000 acres ----->			lbs/acre	<----- 1,000 bales* ----->			
1960	64.8	62.7	60.2	535	67.1	85.7	149	8
1961	63.7	61.9	59.4	503	62.3	84.2	173	7
1962	100.3	96.3	93.6	576	112.3	82.1	163	3
1963	149.9	143.8	139.8	562	163.8	80.4	142	3
1964	112.5	110.3	107.1	536	119.5	82.7	154	22
1965	77.8	77.3	74.8	563	87.8	87.6	142	6
1966	81.4	80.1	78.0	447	72.7	75.7	136	13
1967	70.5	68.5	66.4	502	69.5	91.5	129	16
1968	70.5	68.4	67.0	565	78.9	29.7	128	9
1969	79.7	77.6	75.3	493	77.4	21.8	113	16
1970	78.4	75.9	74.5	369	57.3	25.6	99	12
1971	117.8	102.3	101.0	466	98.1	30.2	96	7
1972	117.8	98.0	95.8	480	95.8	11.3	99	5
1973	117.7	84.6	82.4	461	78.0	21	88	12
1974	117.7	83.5	82.3	526	90.0	10	63	12
1975	91.2	69.2	65.9	397	55.0	56	90	11
1976	83.7	45.5	44.4	692	64.0	19	79	5
1977	120.0	75.1	74.4	724	112.0	4	67	25
1978	92.4	77.5	76.0	590	93.0	2	66	30
1979	115.0	90.7	89.1	531	99.0	1	65	52
1980	131.7	72.5	71.7	698	104.0	1	63	33
1981	150.2	58.6	58.0	659	80.0	8	48	12
1982	120.2	70.9	70.5	672	99.0	8	56	13
1983	80.1	63.0	62.7	725	95.0	4	67	36
1984	----	80.1	79.6	786	130.0	3	49	90
1985	----	84.0	83.6	891	155.0	0	61	105
1986	----	111.5	111.1	890	206.0	0	67	114
1987	----	137.9	136.6	1,000	285.0	0	52	237
1988	----	189.6	189.1	848	334.0	0	71	265
1989	----	376.9	371.7	893	692.0	0	73	452
1990	----	231.3	227.1	758	358.0	0	65	415
1991	----	250.4	224.0	784	398.0	0	65	298
1992	----	263.4	260.2	938	508.0	0	60	332
1993	----	190.0	188.9	938	370.0	0	72	307
1994	----	168.5	166.4	974	338.0	2	89	424
1995	----	214.6	211.1	836	368.0	8	109	300
1996	----	258.0	255.9	991	529.0	0	106	466
1997	----	250.0	249.0	1,056	548	0	115	440
1998 ^{1/}	----	328.2	234.8	904	442	12	147	288

Note: See footnotes on page 4.

For years 1933 through 1959, see previous ELS cotton fact sheets.

EXTRA LONG STAPLE COTTON: SUMMARY OF BASIC DATA

Crop Year	Ending Carryover 1,000 bales*	National Average Support Price Summary			Average Farm Price	Value of Production thousand \$	Government Payments
		Loan Rate 3a/	Payment 3b/	Total/Target Price 3c/			
		cents per pound					
1960	140.2		53.07		55.10	17,749	
1961	91.6		53.18		60.40	18,066	
1962	202.3		53.18		53.90	29,047	
1963	256.3		53.18		52.60	41,361	
1964	266.4		49.25		49.10	28,193	
1965	294.5		49.25		48.10	20,264	
1966	255.2		49.25		48.70	16,961	
1967	193.4		47.00		47.90	15,990	
1968	156.6	40.00	8.69	48.69	40.70	15,416	3,285
1969	108.1	40.00	8.88	48.88	40.50	15,027	3,300
1970	62.7	40.50	9.29	49.79	43.30	11,886	2,565
1971	73.9	38.40	12.69	51.09	44.80	21,120	4,558
1972	68.0	38.50	12.85	51.35	44.90	20,657	4,745
1973	55.0	38.20	16.04	54.21	87.20	32,694	5,023
1974	59.0	49.72	10.86	60.58	64.40	27,905	3,838
1975	66.0	67.74	6.36	74.10	78.90	20,653	1,566
1976	49.0	73.24	6.36	74.75	104.00	31,957	453
1977	69.0	76.70	1.51	76.70	87.90	47,341	0
1978	53.0	83.20	0.00	83.20	91.70	41,131	0
1979	38.0	92.95	0.00	92.95	101.00	47,686	0
1980	54.0	93.50	0.00	93.50	108.00	53,919	0
1981	65.0	99.00	0.00	99.00	96.90	37,034	0
1982	93.0	99.89		99.89	101.00	46,679	0
1983	82.0	96.25		96.25	107.00	47,972	0
1984	78.0	82.50	6.50	99.00	92.80	57,521	747
1985	59.0	85.95	14.14	103.14	91.80	68,394	1,330
1986	84.0	85.40	14.08	102.48	89.90	88,883	2,459
1987	53.0	81.40	0.00	97.70	104.00	141,983	0
1988	66.0	80.92	0.00	95.70	118.00	189,742	0
1989	202.0	81.77	0.40	96.70	97.10	322,408	6
1990	82.0	81.77	0.00	98.10	106.00	181,600	0
1991	121.0	82.99	0.00	99.60	97.00	184,746	0
1992	206.0	88.15	17.65	105.80	78.80	200,794	8,516
1993	227.0	88.12	17.58	105.70	87.00	164,882	10,370
1994	62.0	85.03	1.30	102.00	102.50	166,072	978
1995	66.0	79.65	0.00	95.60	122.80	216,428	0
1996	51.0	79.65	0.00	0	107.00	271,694	0
1997	65.0	79.65	0.00	0	101.40	266,723	0
1998	103.0	79.65	0.00	0	92.40	196,036	0

Note: See footnotes on page 4.

For years 1933 through 1959, see previous ELS cotton fact sheets.

Fact Sheet
Extra Long Staple Cotton
Summary of 1998 Commodity
Loan Program

1. As of October 1999.
2. Less than 50 bales.
3. Average for all qualities.
 - a. 1968 - 1981 crops: price support loan.
1982 - 1983 crops: price support loan rate is equal to 175 percent of upland cotton base loan rate.
1984 - 1985 crops: price support loan rate is equal to 150 percent of upland cotton base loan rate.
1986 - current crops: price support loan rate is equal to 85 percent of average prices received by ELS producers during 3 of the immediately preceding 5-year period, excluding the high and low years.
 - b. 1968 - 1981 crops: price support payment.
1982 - 1983 crops: no payments authorized.
1984 - 1995 crops: deficiency payment rate is equal to the difference between target price and the higher of the average market price received by farmers for the first 8 months of the marketing year or base loan rate.
 - c. 1968 - 1979 crops: total support is equal to 65 percent of parity.
1980 - 1981 crops: total support is equal to 55 percent of parity.
1982 - 1983 crops: no payments authorized.
1984 - 1995 crops: target price.

Marketing Year: August 1 - July 31.

* Running bales through 1955, 480-lb. Net weight bales thereafter.